



Rep. Sidney H. Mathias

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LRB097 08135 AJ0 52567 a

1 AMENDMENT TO HOUSE BILL 2228

2 AMENDMENT NO. \_\_\_\_\_. Amend House Bill 2228 by replacing  
3 everything after the enacting clause with the following:

4 "Section 5. The Charitable Trust Act is amended by changing  
5 Section 7 as follows:

6 (760 ILCS 55/7) (from Ch. 14, par. 57)

7 Sec. 7. (a) Except as otherwise provided, every trustee  
8 subject to this Act shall, in addition to filing copies of the  
9 instruments previously required, file with the Attorney  
10 General periodic annual written reports under oath, setting  
11 forth information as to the nature of the assets held for  
12 charitable purposes and the administration thereof by the  
13 trustee, in accordance with rules and regulations of the  
14 Attorney General.

15 (b) The Attorney General shall make rules and regulations  
16 as to the time for filing reports, the contents thereof, and

1 the manner of executing and filing them. These rules shall take  
2 account of the mandates imposed upon charitable trusts by the  
3 Internal Revenue Code, and shall, to the maximum extent  
4 possible, chronologically reconcile the filing dates of the  
5 periodic reporting requirements imposed upon charitable  
6 trustees by federal and State law. He or she may classify  
7 trusts and other relationships concerning property held for a  
8 charitable purpose as to purpose, nature of assets, duration of  
9 the trust or other relationship, amount of assets, amounts to  
10 be devoted to charitable purposes, nature of trustee, or  
11 otherwise, and may establish different rules for the different  
12 classes as to time and nature of the reports required to the  
13 ends (1) that he or she shall receive reasonably current,  
14 annual reports as to all charitable trusts or other  
15 relationships of a similar nature, which will enable him or her  
16 to ascertain whether they are being properly administered, and  
17 (2) that periodic reports shall not unreasonably add to the  
18 expense of the administration of charitable trusts and similar  
19 relationships. The Attorney General may suspend the filing of  
20 reports as to a particular charitable trust or relationship for  
21 a reasonable, specifically designated time upon written  
22 application of the trustee filed with the Attorney General and  
23 after the Attorney General has filed in the register of  
24 charitable trusts a written statement that the interests of the  
25 beneficiaries will not be prejudiced thereby and that periodic  
26 reports are not required for proper supervision by his or her

1 office.

2 (c) A copy of an account filed by the trustee in any court  
3 having jurisdiction of the trust or other relationship, if the  
4 account has been approved by the court in which it was filed  
5 and notice given to the Attorney General as an interested  
6 party, may be filed as a report required by this Section.

7 (d) The first report for a trust or similar relationship  
8 hereafter established, unless the filing thereof is suspended  
9 as herein provided, shall be filed not later than one year  
10 after any part of the income or principal is authorized or  
11 required to be applied to a charitable purpose. If any part of  
12 the income or principal of a trust previously established is  
13 authorized or required to be applied to a charitable purpose at  
14 the time this Act takes effect, the first report, unless the  
15 filing thereof is suspended, shall be filed within 6 months  
16 after the effective date of this Act. In addition, every  
17 trustee registered hereunder that received more than \$25,000 in  
18 revenue during a trust fiscal year or has possession of more  
19 than \$25,000 of assets at any time during a fiscal year shall  
20 file an annual financial report within 6 months of the close of  
21 the trust's or organization's fiscal year, and if a calendar  
22 year the report shall be due on each June 30 of the following  
23 year. Every trustee registered hereunder that did not receive  
24 more than \$25,000 in revenue or hold more than \$25,000 in  
25 assets during a fiscal year shall file only a simplified  
26 summary financial statement disclosing only the gross

1 receipts, total disbursements, and assets on hand at the end of  
2 the year, on forms prescribed by the Attorney General.

3 (e) The periodic reporting provisions of this Act do not  
4 apply to any trustee of a trust which is the subject matter of  
5 an adversary proceeding pending in the circuit court in this  
6 State. However, upon commencement of the proceeding the trustee  
7 shall file a report with the Attorney General informing him or  
8 her of that fact together with the title and number of the  
9 cause and the name of the court. Upon entry of final judgment  
10 in the cause the trustee shall in like manner report that fact  
11 to the Attorney General and fully account for all periods of  
12 suspension.

13 (f) The Attorney General in his or her discretion may,  
14 pursuant to rules and regulations promulgated by the Attorney  
15 General, accept executed copies of federal Internal Revenue  
16 returns and reports as a portion of the annual reporting. The  
17 report shall include a statement of any changes in purpose or  
18 any other information required to be contained in the  
19 registration form filed on behalf of the organization. The  
20 report shall be signed under penalty of perjury by the  
21 president and the chief fiscal officer of any corporate  
22 organization or by 2 trustees if not a corporation. One  
23 signature shall be accepted if there is only one officer or  
24 trustee.

25 (g) The Attorney General shall cancel the registration of  
26 any trust or organization that wilfully fails to comply with

1 subsections (a), (b), (c) or (d) of this Section within the  
2 time prescribed, and the assets of the organization may through  
3 court proceedings be collected, debts paid and proceeds  
4 distributed under court supervision to other charitable  
5 purposes upon an action filed by the Attorney General as law  
6 and equity allow. Upon timely written request, the due date for  
7 filing may be extended by the Attorney General for a period of  
8 60 days. Notice of registration cancellation shall be mailed by  
9 regular mail to the registrant at the registration file address  
10 or to its registered agent or president 21 days before the  
11 effective date of the cancellation. Reports submitted after  
12 registration is canceled shall require reregistration.

13 (h) Every trustee registered hereunder that received in any  
14 fiscal year more than \$25,000 in revenue or held more than  
15 \$25,000 in assets shall pay a fee of \$15 along with each annual  
16 financial report filed pursuant to this Act. If an annual  
17 report is not timely filed, a late filing fee of an additional  
18 \$100 is imposed and shall be paid as a condition of filing a  
19 late report. Reports submitted without the proper fee shall not  
20 be accepted for filing.

21 (Source: P.A. 90-469, eff. 8-17-97; 91-444, eff. 8-6-99.)".